Distribution of Wealth in Islam

اسلام میں دولت کی تقسیم

BY

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Read at the International Islâmic Conference, Rawalpindi, Pakistan on February 13, 1968. Published by Begum Aisha Bawany Wakf, Karachi, 6th edition 1979.

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بسم الله الرحمن الرحيم

الحمد لله وكفى وسلام على عباده الذين اصطفى

Introduction

The distribution of wealth is one of the most important and most controversial subjects concerning the economic life of man, which have given birth to global revolutions in the world of today, and have affected every sphere of human activity from international politics down to the private life of the individual. For many a century now, the question has been the center not only of fervent debates, oral and written both, but even of armed conflicts. The fact, however, is that whatever has been said on the subject without seeking guidance from Divine Revelation and relying merely on human reason, has had the sole and inevitable result of making the confusion worse confounded.

In the present study, we propose to state as clearly as possible the point of view of Islâm in this matter, such as we have been able to deduce from the Holy Qur'ân, the Sunnah, and the writings of the "Thinkers" to use a current idiom in the Islâmic tradition. The time and space at our disposal being short, it would not be possible to discuss the subject in detail so as to cover all aspects. We shall, however, try to set down the essential and fundamental points in a concise but comprehensive manner.

Before explaining the position of Islâm on the subject of the distribution of wealth such as we have been able to understand from the Qur'ân, the Sunnah, and the Fiqh, it seems to be imperative to clarify certain fundamentals that have an essential and basic importance with regard to almost every aspect of Islâmic economics. Give them whatever name you please- call them "the principles of the theory of the distribution of wealth", or its "philosophy", or the "ultimate object" of this theory. In any case, they are certain basic principles which one can derive from the Qur'ân, and which distinguish the Islâmic point of view in economics from non-Islâmic systems of economy.

The Position of the Economic Question

No doubt, Islâm is opposed to monasticism and views the economic activities of man as quite lawful, meritorious, and sometimes even obligatory and necessary. It approves of the economic progress of man, and considers "lawful or righteous livelihood " كسب حلال as "an obligation next to the obligation" فريضة بعد الفريضة — that is to say, an obligation of the secondary order. Notwithstanding all this, it is no less a truth that it does not consider "economic activity" معاش to be the basic problem of man, nor does it view economic progress as the be-all and end-all of human life.

Even common sense can suffice to show that the fact of an activity being lawful or meritorious or necessary is one thing, and its being the ultimate goal of human life and the center of thought and action is quite another. Many misunderstandings about Islâmic economics arise just from confusion between these two distinct and separate things. It is, therefore, very essential to make the distinction as clear as possible at the very outset. In fact, the profound, basic, and far-reaching difference between Islâmic economics and materialistic economics is just this— according to materialistic economics, "Livelihood" is the fundamental problem of man and economic developments are the ultimate end of human life, while, according to Islâmic economics, these things may be necessary and indispensable, but cannot be the true purpose of human life. So, while we find in the Holy Qur'ân the disapprobation of monasticism and the injunction to "seek the munificence of Allâh" وابتغوا من فضل الله - 62:10, while we find the honorific terms like "the munificence of Allâh" فضل الله for trade and commerce, "good things" خير - 100:8; 38:32; *etc.*, and "what Allâh has caused to be your sustenance" التي جعل الله لكم قياما - 4:4 for possessions, "the clean and pure things by way of nourishment" الطيبات من الرزق - 7:31 for food, "adornments from Allâh" زينة الله- 7:31 for dress, "place of rest" سكن - 16:80 for dwellings, we at the same time find an expression like "allurement or delusion" متاع الغرور - 3:185 for worldly life. And all these things in their totality have been designated as "*ad-Dunyâ*" الدنيا - "the mean" – a term which, in its literal sense, does not have a pleasant connotation. Even from the total context of the Holy Qur'ân one can infer the meanness and worthlessness of the thing so designated.

On this particular point, shortsightedness may easily lead one to suspect a contradiction in terms. But, in fact, the secret behind the apparent contradiction is that, according to the Qur'ânic view, all the means of livelihood are no more than just stages on man's journey, and his final destination lies beyond them — and that destination is the sublimity of character and conduct, and,

consequently, the felicity of the other world. The real problem of man and the fundamental purpose of his life is the attainment of these two goals. But one cannot attain them without traversing the path of this world. So, all those things too which are necessary for his worldly life, become essential for man. It comes to mean that so long as the means of livelihood are being used only as a path leading towards the final destination, they are, "the munificence of Allâh", "good things", "adornment from Allâh", and "place of rest"; but as soon as man gets lost in the mazes of this pathway and allows himself to forget his real destination, the very same means of livelihood turn into an "allurement or delusion" متاع الغرور, into a "trial" فتنة - 8:28, into a veritable "foe" عدو - 64:14.

The Holy Qur'ân has enunciated this basic truth very precisely in a brief verse— "Seek the other world by means of what Allâh has bestowed upon you" وابتغ فيما اتاك الله الدار الاخرة - 28:77. This principle has been stated in several other verses too, but it is not necessary to cite them all before this learned gathering. The writer believes that if this attitude of the Holy Qur'ân towards the economic activity of man and its two aspects are kept in view, it would be very helpful in solving many problems of Islâmic economics.

The Real Nature of Wealth and Property

The other fundamental principle which has a great importance with regard to the problem of the distribution of wealth is that, according to the elucidation of the Holy Qur'ân itself, "wealth" in all its possible forms is a thing created by Allâh, and is, in principle, His "property". The right of property over a thing which accrues to man is delegated to him by Allâh. The Holy Qur'ân explicitly says:

وَآتُوهُم مِّن مَّالِ اللَّهِ الَّذِي آتَاكُمْ

"Give to them from the property of Allâh which he has bestowed upon you."

24:33

Why this should be so has also been explained by the Holy Qur'ân in another place. All that man can do is invest his labor into the process of production. But Allâh alone, and no one else, can cause this endeavor to be fruitful and actually productive. Man can do no more than sow a seed in the soil, but to bring out a seedling from the seed and make the seedling grow into a tree is the work of someone other than man. The Holy Qur'ân says:

أَفَرَأَيْتُم مَّا تَحْرُثُونَ ۝ أَأَنتُمْ تَزْرَعُونَهُ أَمْ نَحْنُ الزَّارِعُونَ ۝

"Have you considered what you till? Is it you yourselves who make it grow, or is it We who make it grow?"

56:63

And in another verse:

أَوَلَمْ يَرَوْا أَنَّا خَلَقْنَا لَهُم مِّمَّا عَمِلَتْ أَيْدِينَا أَنْعَامًا فَهُمْ لَهَا مَالِكُونَ ۝

"Have they not seen that, among the things made by Our own hands, We have created cattle for them, and thus they acquired the right of property over them?"

36:71

All these verses throw ample light on the fundamental point that "wealth", no matter what its form, is in principle "the property" of Allâh, and it is He who has bestowed upon man the right to exploit it. So, Allâh has the right to demand that man should subordinate his exploitation of this wealth to the commandments of Allâh.

Thus man has the "right of property" over the things he exploits, but this right is not absolute or arbitrary or boundless– it carries along with it certain limitations and restrictions which have been imposed by the real owner of the "wealth". We must spend it where He has commanded it to be spent, and refrain from spending where He has forbidden. This point has been elucidated more explicitly in the following verse:

وَابْتَغِ فِيمَآ ءَاتَىٰكَ اللَّهُ الدَّارَ الْأَخِرَةَ وَلَا تَنسَ نَصِيبَكَ مِنَ
الدُّنْيَا وَأَحْسِن كَمَآ أَحْسَنَ اللَّهُ إِلَيْكَ وَلَا تَبْغِ الْفَسَادَ فِى الْأَرْضِ

"Seek the other world by means of what Allâh has bestowed upon you, and do not be negligent about your share in this world. And do good as Allâh has done good by you, and do not seek to spread disorder on the earth."

28:77

This verse fully explains the Islâmic point of view on the question of property. It places the following guidelines before us:-

1 Whatever wealth man does possess has been received from Allâh- "Allâh has bestowed upon you" اتاك الله.

2 Man has to use it in such a way that his ultimate purpose should be the other world- "seek the other world" و ابتغ فى ما اتاك الله الدار الاخرة.

3 Since wealth has been received from Allâh, its exploitation by man must necessarily be subject to the commandment of Allâh.

4 Now the Divine Commandment has taken two forms:

a. Allâh may command man to convey a specified portion of "wealth" to another. This Commandment must be obeyed, because Allâh has done good by you, so He may command you to do good by another– "do good as Allâh has done good by you" و احسن كما احسن الله اليك.

b. He may forbid you to use this “wealth” in a specified way. He has every right to do so, because He cannot allow you to use “wealth” in a way which is likely to produce collective ills or to spread disorder on the earth– “do not seek to spread disorder on the earth” ولا تبغ الفساد في الارض.

This is what distinguishes the Islâmic point of view on the question of property from the Capitalist and Socialist points of view. Since the mental background of Capitalism is, theoretically or practically, materialistic, it gives man the unconditional and absolute right of property over his wealth, and allows him to employ it as he likes. But the Holy Qur’ân has adopted an attitude of disapprobation towards this theory of property, in quoting the words of the nation of Hazrat Shu’aib. They used to say:

أَصَلٰوتُكَ تَأْمُرُكَ أَنْ نَّتْرُكَ مَا يَعْبُدُ اٰبَآؤُنَا أَوْ أَنْ نَّفْعَلَ
فِيْٓ أَمْوَالِنَا مَا نَشٰٓؤُا

“Does your way of prayer command you that we should forsake what our forefathers worshipped, or leave off doing what we like with our own property?”

11:87

These people used to consider their property as really theirs “our property” - اموالنا, and hence the claim of “doing what we like” نفعل ما نشاء was the necessary conclusion of their position. But the Holy Qur’ân has, in the chapter “Light” سورة النور, substituted the term مال الله “the property of Allâh” for the expression اموالنا “our possessions”, and has thus struck a blow at the very root of the Capitalistic way of thinking. But, at the same time, by adding the qualification الذى اتاكم “what Allâh has bestowed upon you”, it has cut the roots of Socialism as well, which starts by denying man’s right to private property. Similarly, فهم لها مالكون “thus they acquired the right of property over them” – a verse in the chapter “Yâ Sîn”, يس explicitly affirms the right to private property as a gift from Allâh.

Now we are in a position to draw clear boundary lines that separate Islâm, Capitalism, and Socialism from one another: –

Capitalism affirms an absolute and unconditional right to private property.

Socialism totally denies the right to private property.

But the truth lies between these two extremes– that is: Islâm admits the right to private property but does not consider it to be an absolute and unconditional right which is bound to cause "disorder on the earth" فساد في الارض.

The Objects of the Distribution of Wealth According to Islam

If we consider the injunctions of the Holy Qur'ân, it would appear that the system for the distribution of wealth laid down by Islâm a sketch of which will be presented later on envisages three objects: –

a Th e establishment of a practical system of economy

The first object of the distribution of wealth is that it would be the means of establishing in the world a system of economy which is natural and practicable, and which, without using any compulsion or force, allows every individual to function in a normal way according to his ability, his aptitude, his own choice and liking, so that his activities may be more fruitful, healthy and useful. And this cannot be secured without a healthy relationship between the employer and the employee, and without the proper utilization[1] of the natural force of *supply and demand*. That is why Islâm does admit these factors. A comprehensive indication of this principle is to be found in the following verse: –

نَحْنُ قَسَمْنَا بَيْنَهُم مَّعِيشَتَهُمْ فِي الْحَيَاةِ الدُّنْيَا ۚ وَرَفَعْنَا بَعْضَهُمْ فَوْقَ بَعْضٍ
دَرَجَاتٍ لِّيَتَّخِذَ بَعْضُهُم بَعْضًا سُخْرِيًّا

"We have distributed their livelihood among them in worldly life, and have raised some above others in the matter of social degrees, so that some of them may utilize the services of others in their work."

43:32

b Enabling everyone to get what is rightfully due to him

The second object of the Islâmic system of the distribution of wealth is to enable everyone to get what is rightfully his. But, in Islâm, the conception and the criterion of this right is somewhat different from what it is in other systems of economy. Under materialistic economic systems, there is only one way of acquiring the right to wealth, and that is a direct participation in the process of production. In other words, only those factors that have taken a direct part in

producing wealth are supposed to be entitled to a share in wealth, and no one else. On the contrary, the basic principle of Islâm in this respect is that wealth is in principle the property of Allâh Himself and He alone can lay down the rules as to how it is to be used. So, according to the Islâmic point of view, not only those who have directly participated in the production of wealth but those too whom Allâh has made it obligatory upon others to help, are the legitimate sharers in wealth. Hence, the poor, helpless, the needy, the paupers, and the destitute– they too have a right to wealth. For, Allâh has made it obligatory on all those producers of wealth among whom wealth is in the first place distributed that they should pass on to them some part of their wealth. And the Holy Qur'ân makes it quite explicit that in doing so they would not be obliging the poor and the needy in any way, but only discharging their obligation, for the poor and the needy are entitled to a share in wealth as a matter of right. Says the Holy Qur'ân:

فِيٓ أَمۡوَٰلِهِمۡ حَقّٞ مَّعۡلُومٞ لِّلسَّآئِلِ وَٱلۡمَحۡرُومِ

"In their wealth there is a known *right* for those who ask for it and those who have need for it."

70:24 -25

In certain verses, this *right* has been defined as the *right of Allâh*. For example, this verse in connection with harvests:

وَءَاتُواْ حَقَّهُۥ يَوۡمَ حَصَادِهِۦ

"and pay what is rightfully due to Him on the day of harvesting."

6:142

The word "right" in these two verses makes it clear that participation in the process of production is not the only source of the right to wealth, and that the needy and the poor have as good a right to wealth as does its primary owners. Thus Islâm proposes to distribute wealth in such a manner that all those who have taken a part in production should receive the reward for their contribution to the production of wealth, and then all those too should receive their share whom Allâh has given a right to wealth These two groups of sharers will be discussed in greater detail later on.

c Eradicating the concentration of wealth

The third object of the distribution of wealth, which Islâm considers to be very important, is that wealth, instead of becoming concentrated in a few hands, should be allowed to circulate in the society as widely as possible, so that the distinction between the rich and the poor should be narrowed down as far as is natural and practicable. The attitude of Islâm in this respect is that it has not permitted any individual or group to have a monopoly over the primary sources of wealth, but has given every member of the society an equal right to derive benefit from them. Mines, forests, un-owned barren lands, hunting and fishing, wild grass, rivers, seas, spoils of war, *etc*., all these are primary sources of wealth. With respect to them, every individual is entitled to make use of them according to his abilities and his labor without anyone being allowed to have any kind of monopoly over them.

كَيْ لَا يَكُونَ دُولَةً بَيْنَ الْأَغْنِيَاءِ مِنكُمْ

"So that this wealth should not become confined only to the rich amongst you."[2]

59:7

Beyond this, wherever human intervention is needed for the production of wealth and a man produces some kind of wealth by deploying his resources and labor, Islâm gives due consideration to the resources and labor thus deployed, and recognizes that man's right of property in the wealth produced. Everyone shall get his share according to the labor and resources invested by him. Says the Holy Qur'ân:

نَحْنُ قَسَمْنَا بَيْنَهُم مَّعِيشَتَهُمْ فِي الْحَيَاةِ الدُّنْيَا وَرَفَعْنَا بَعْضَهُمْ فَوْقَ بَعْضٍ
دَرَجَاتٍ لِّيَتَّخِذَ بَعْضُهُم بَعْضًا سُخْرِيًّا

"We have distributed their livelihood among them in worldly life, and have raised some above others in the matter of social degrees, so that some of them may utilize the services of others in their work."

43:32

But in spite of this difference among social degrees or ranks certain injunctions have been laid down in order to keep this distinction within such limits as are necessary for the establishment of a practicable system of economy, so that wealth should not become concentrated in a few hands.

Of these three objects of the distribution of wealth, the first distinguishes Islâmic economy from Socialism, the third from Capitalism, and the second from both at the same time. This point will be discussed in detail later on.

Having indicated these basic principles of Islâmic economy, we would now proceed to a brief exposition of the system of the distribution of wealth which one can derive from the Qur'ân, the Sunnah, and the elucidations of the Muslim jurists Fuqahâ.

The Capitalist View of the Distribution of Wealth

In order to understand the Islâmic point of view fully, it would be better to have a look at the system of the distribution of wealth that is obtained under the Capitalist economy. This theory can be briefly stated like this – wealth should be distributed only over those who have taken a part in producing it, and who are described in the terminology of economics as the *factors of production*. According to the Capitalistic economics, these factors are four: -

1- *Capital*– which has been defined as "the produced means of production" that is to say, a commodity which has already undergone one process of human production, and is again being used as a means of another process of production.

2- *Labor*– that is to say, any exertion on the part of man.

3- *Land*– which has been defined as "natural resources" that is to say, those things which are being used as means of production without having previously undergone any process of human production.

4- *Entrepreneur* or *Organization*– the fourth factor which brings together the other three factors, exploits them and bears the risks of profit and loss in production.

Under the Capitalist economy, the wealth produced by the cooperation of these four factors is distributed over these very four factors like this: one share is given to capital in the shape of *interest*, the second share to labor in the shape of *wages*, the third share to land in the shape of *rent* or revenue, and the fourth share or the residue is reserved for the entrepreneur in the shape of *profit*.

The Socialist View of the Distribution of Wealth

Under the Socialist economy, on the other hand, *capital* and *land*, instead of being private property, are considered to be national or collective property. So, the question of interest or rent or revenue does not arise at all under the philosophy of this system.[3]

Under the Socialist system, the *entrepreneur* too is not an individual but the state itself. So, profit as well is out of the question here – at least in theory. Now, there remains only one factor– namely, *labor*. And labor alone is considered to have a right to wealth under the Socialist system, which it gets in the shape of "wages."

The Islâmic View of the Distribution of Wealth

The Islâmic system of the distribution of wealth is different from both. From the Islâmic point of view, there are two kinds of people who have a right to wealth: 1 Those who have a *primary right* – that is to say, those who have a right to wealth directly in consequence of a participation in the process of production. In other words, it is those very "factors of production" which have taken a part in the process of producing some kind of wealth. 2 Those who have a *secondary right* – that is to say, those who have not taken a direct part in the process of production, but it has been enjoined upon the producers to make them co-sharers in their wealth. We shall discuss in some detail these two groups of people who have a right to wealth.

Footnotes

[1] The condition of "proper utilization" has been postulated because it is possible to make an improper use of the forces, and it has been the case under Capitalism. Islâm has struck at the very root of such an improper use, and has thus eradicated the unbridled exploitation of private property.

[2] It should be kept in mind that this verse initially concerns the spoils of war which are one of the primary sources of wealth.

[3] Let it be made clear that we are here concerned with the basic philosophy, or theory, of Socialism, and not with its present practice, for the actual practice in Socialist countries is quite different from this theory.

Those who have a Primary Right to Wealth

As indicated above the primary right to wealth is enjoyed by "the factors of production". But "the factors of production" are not specified or technically defined, nor is their share in wealth determined in exactly the same way as is done under the Capitalist system of economy. In fact, the two ways are quite distinct. From the Islâmic point of view, the actual factors are three, instead of being four: -

1- *Capital*- that is, those means of production which cannot be used in the process of production until and unless during this process they are either wholly consumed or completely altered in form, and which, therefore, cannot be let or leased for example, liquid money or food stuffs *etc*..

2- *Land*- that is, those means of production which are so used in the process of production that their original and external form remains unaltered, and which can hence be let or leased for example, lands, houses, machines *etc*..

3- *Labor*- that is, human exertion, whether of the bodily organs or of the mind or of the heart. This exertion thus includes organization and planning too. Whatever "wealth" is produced by the combined action of these three factors would be primarily distributed over these three in this manner: one share of it would go to capital in the form of *profit* and not in the form of *interest*; the second share would go to land in the form of *rent*, and the third share would be given to labor in the form of *wages*.

Socialism and Islâm

As we have said, the Islâmic system of the distribution of wealth is different from Socialism and Capitalism both. The distinction between the Islâmic economy and the Socialist economy is quite clear. Since Socialism does not admit the idea of private property, wealth under the Socialist system is distributed only in the form of wages. On the contrary, according to the Islâmic principles of the distribution of wealth which we have outlined above, all the things that exist in the universe are the property of Allâh Himself. Then, the larger part of these things is that which He has given equally to all men as a common trust. It includes fire, water, earth, air, light, wild grass, hunting, fishing, mines, un-owned and un-cultivated lands *etc*., which are not the property of any individual, but a common trust. Every human being is the beneficiary of this trust, and is equally entitled to its use.

On the other hand, there are certain things where the right to private property must be recognized if only for the simple reason that without such a recognition it would not be possible to establish the practicable and natural system of economy to which we have alluded while discussing the first object of the distribution of wealth. If the Socialist system is adopted and all capital and all land are totally surrendered to the state, the ultimate result can only be this- we would be liquidating a large number of smaller Capitalists, and putting the huge resources of national wealth at the disposal of a single big Capitalist- the State- which can deal with this reservoir of wealth quite arbitrarily. Socialism, thus, leads to the worst form of the concentration of wealth. Moreover, it produces another great evil. Since Socialism deprives human labor of its natural right to individual choice and control, compulsion and force becomes indispensable in order to make use of this labor, which has a detrimental effect on its efficiency as well as on its mental health. All this goes to show that the Socialist system injures two out of the three objects of the Islâmic theory of the distribution of wealth- namely, the establishment of a natural system of economy, and securing for everyone what rightfully belongs to him.

These being the manifold evils inherent in the unnatural system of the Socialist economy, Islâm has not chosen to put an end to private property altogether, but has rather recognized the right to private property in those things of the physical universe which are not held as a common trust. Islâm has, thus, given a separate status to Capital and to Land, and has at the same time made use of the natural law of "supply and demand" too in healthy form. Hence, Islâm does not distribute wealth merely in the form of wages, as does Socialism, but in the form of profit and rent as well. But, along with it, Islâm has also put an interdiction on the category of "interest", and prescribed a long list of the people who have a secondary right to wealth. It has thus eradicated the great evil of the concentration of wealth which is an essential characteristic inherent in Capitalism, an evil which Socialism claims to remedy.

Islâm and Capitalism

This is the fundamental distinction of the Islâmic view of the distribution of wealth which sets it apart from Socialism. It is equally essential to understand fully the difference that exists between the Islâmic view of the distribution of wealth and the Capitalist point of view. This distinction being rather subtle and complicated, we will have to discuss it in greater detail.

By comparing and contrasting the brief outlines of the Islâmic and the Capitalist systems of the distribution of wealth, we arrive at the following differences between the two: -

1 The entrepreneur, as a regular factor, has been excluded from the list of the factors of production, and only three factors have been recognized instead of four. But this does not imply that the very existence of the entrepreneur has been denied. What it does mean is just this- the entrepreneur is not an independent factor, but is included in any one of the three factors.

2 It is not *interest* but *profit* which has been considered as the "reward" for Capital.

3 The factors of production have been defined in a different manner. Capitalism defines "capital" as " the produced means of production." Hence, capital is supposed to include machinery *etc*. as well, beside money and food stuffs. But the definition of "capital" that we have presented while discussing the Islâmic view of the distribution of wealth, includes only those things which cannot be utilized without their being wholly consumed, or, in other words, which cannot be let or leased- for example, money. Machinery is to be excluded from "capital", according to this definition.

4 In the same way, "land" has been defined in a more general way. That is to say, all those things have been brought under this head which do not have to be wholly consumed in order to be used. Hence, machinery too falls under this category.

5 The definition of "labor" too has been generalized so as to include mental labor and planning.

Let us now go into the details of this discussion. Under the Capitalist system, the most important characteristic of the entrepreneur which entitles him to *profit* is supposed to be that he bears the risk of profit and loss in his business. That is to say, from the Capitalist point of view, "profit" is a kind of reward for his courage to enter into a commercial venture where he alone will have to bear the burden of a possible loss, while the other three factors of production will remain immune from loss, for Capital would get the stipulated *interest*, Land the stipulated *rent*, and Labor the stipulated *wages*.

On the other hand, the Islâmic point of view insists that the ability to take the risk of a loss should, in reality, inhere with capital itself, and that no other factor should be made to bear the burden of this risk- in other words, the man who wants to invest his money in a certain business venture must take this risk.

Consequently, the Capitalist, in so far as he takes the risk, is an entrepreneur too, and the man who is an entrepreneur is a Capitalist as well.

Now, there are three ways in which capital can be invested in a business venture: -

1 *Private business*: the man who invests capital may himself run the business without the help of any partners or shareholders. In this case, the return which he gets may be called "profit" from the legal or popular point of view; but in economic terms, this "reward" would be made up of 1 " *profit*", in as much as capital has been invested, and 2 " *wages*", as earnings of management.

2 *Partnership* شركت: The second form of investment is that several persons may jointly invest capital, jointly manage the business, and jointly bear the risk of profit and loss. In the terminology of the Fiqh, such a venture is called "*Shirkat-ul-'Uqûd*" شركت العقود or "Partnership in contract".

According to the terminology of economics, in this case too all the partners will be entitled to "profit" in so far as they have invested capital, and also entitled to "wages" in so far as they have taken part in the management of the business. Islâm has sanctioned this form of business organization too. This form was common before the time of the Holy Prophet ﷺ. He permitted people to retain it, and since then there has been a consensus of opinion on its permissibility.[1]

3 *Cooperation of Capital and Organization* مضاربت: The third form of investment is that one person may invest Capital while another may manage the business, and each may have a share of the profit. In the terminology of the Fiqh, it is called "*Mudârabat*" مضاربت. According to th e terminology of economics, in this case, the person who invests his capital " *Rabb-ul-Mal*"- رب المال will get his share in the form of "*profit*", while the person who has actually managed the business will get it in the form of "*wages*". But if the person who has been managing the business " *Mudârib*"- مضارب eventually suffers a loss in the business, his labor will have gone to waste just as the capital of the investor has gone to waste.

This form of business organization too is permissible in Islâm. The Holy Prophet ﷺ himself had made such an agreement with Hazrat Khadijah رضي الله تعالى عنها before their marriage.[2] Since then there has been a complete consensus of opinion on this too among the jurists of Islâm.[3]

Beyond these three forms, Islâm does not allow any other way of investing capital in a business.

Money Lending Business

The fourth form of investing Capital which has since ever been practised in non-Islâmic societies is the money lending business. That is to say, one person lends out capital in the form of a debt, and a second person puts in his labor; if there is a loss, it has to be borne by labor, but, profit or loss, interest does accrue to capital in any case. Islâm has interdicted this form of investment.

يَا أَيُّهَا الَّذِينَ آمَنُوا اتَّقُوا اللَّهَ وَذَرُوا مَا بَقِيَ مِنَ الرِّبَا إِن كُنتُم
مُّؤْمِنِينَ ۝ فَإِن لَّمْ تَفْعَلُوا فَأْذَنُوا بِحَرْبٍ مِّنَ اللَّهِ وَرَسُولِهِ

"O, believers, fear your Allâh, and give up what is still due to you from the interest usury, if you are true believers. But if you do not do so, then take notice that Allâh and His Messenger shall war with you."

2:279

The Holy Qur'ân also says:

وَإِن تُبْتُمْ فَلَكُمْ رُءُوسُ أَمْوَالِكُمْ لَا تَظْلِمُونَ وَلَا تُظْلَمُونَ ۝

"Yet if you repent of usury you shall have your principal. Do not be unjust to any one, nor should any one be unjust to you."

2:278

In these two verses, the phrases "what is still due to you from the interest" and "you shall have the principal" make it quite explicit that Allâh does not condone the least quantity of interest, that "giving up the interest" implies that the creditor should get back only the principal. Thus, one can clearly see that Islâm considers every rate of interest except zero %) to be totally inadmissible.

In the pre-Islâmic period, certain Arab tribes used to carry on their trade with the help of money borrowed on the basis of interest from other tribes. Islâm put an end to such transactions altogether. Ibn Juraij ابن جريج says:

كانت بنو عمرو بن عوف يأخذون الربا من بني المغيرة فجاء الاسلام
و لهم عليهم مال كثير و كانت بنوا المغيرة يربون لهم في الجاهلية

"In the pre-Islâmic period, the tribe of Banu Amr bin Auf used to take interest from the tribe of Banu-al-Mughira, and the Banu-al-Mughira used to pay this interest. When Islâm came, the latter owed a considerable amount of money to the former."[4]

And further on:

كان بنو المغيرة يربون لثقيف

"The Banu-al-Mughira used to pay interest to the Banu Thaqif."

Let it be understood that the position of every Arab tribe was like that of a joint company, carrying on trade with the joint Capital of its individual members. So, when a tribe would borrow collectively from another tribe, it would usually be for the purposes of trade. The Holy Qur'ân prohibited even this practice.

Thus, under the Islâmic system of economy, if a man wants to lend his money to a businessman for being invested in business, he will have first to decide clearly whether he wishes to lend this money in order to have a share in the profit, or simply to help the businessman with his money. If he means to earn the right to a share in the profit by lending his money, he will have to adopt the mode of "partnership" شركت or that of "cooperation" مضاربت. That is to say, he too will have to bear the responsibility of profit or loss- if there is eventually a profit in the enterprise, he shall have a share in the profit; but if there is a loss, he shall have to share the loss too.

On the other hand, if he is lending this money to another person by way of help, then he must necessarily regard this help as no more than help, and must forgo all demand for a "profit". He will be entitled to get back only as much money as he has lent out. Islâm considers it not only unjust but also meaningless that he should fix a rate of "interest" and thus place all the burden of a possible loss on the debtor.

This discussion makes it clear that Islâm places the responsibility of "taking the risk of loss" on Capital. The man who invests capital in a risk-bearing business enterprise shall have to take this risk.[5] Thus while, according to most economists, the essential characteristic of an "entrepreneur" is that *he takes a risk*, Islâm considers it to be in principle the characteristic of "Capital". Thus, under

the Islâmic system of economy, Capital and Entrepreneur become one and the same, and their share in the distribution of wealth is *profit*, not *interest*.

But if one were to regard as some economists do the essential characteristic of an entrepreneur to be management and planning, then this activity falls under the head of "*labor*" and to consider it as a separate factor is unnecessary elaboration.

Footnotes

[1] المبسوط للسرخسي ص ١٨١ ج ١٩ مطبع السعادة مصر.

[2] زرقاني شرح المواهب ص ١٩٨ ج ١ الأزهرية مصر ١٣٢٥ھ.

[3] المبسوط للسرخسي ص ١٨، ج ٣٦.

[4] تفسير الدر المنثور بحوالة ابن جرير ص ٣٩١ ج ١.

[5] If a man invests capital borrowed on the basis of "debt without interest" قرض حسنہ and has not made any agree ment with the creditor دائن for a "partnership" شرکت or "cooperation" مضاربت, the debtor مدیون himself becomes the owner of this capital after having borrowed it, and now he invests it in the capacity of a Capitalist. So, he himself shall have to bear the responsibility of loss.

The Difference between Rent and Interest

The foregoing discussion has sufficiently established the fact that Islâm considers "profit" and "wages" to be lawful and "interest" to be unlawful. Now we are left with the fourth item - namely "rent". Islâm considers this too as lawful. But there arises a question in the minds of some men on this point- when taking or giving interest on capital is unlawful because of there being a fixed rate, why should rent on land which includes machinery, according to our terminology be lawful, rent also being something fixed?

In order to answer this question, one should first understand that important distinction. The material resources employed in economic operations are of two kinds. On the one hand are those goods which, in order to be utilized and exploited, do not have to be wholly consumed but may retain their form as such while being utilized - *e.g.*, land, machines, furniture, carriages, *etc.*, which can be utilized without impairing their identity. Since such commodities are exploitable in themselves, and the modes of utilizing them are such that the person who takes them on rent does not have to exert himself in the least, while their constant use depreciates them in value, so taking or giving "wages" for the utility yield is quite just and reasonable. It is to these "wages for the utilities provided" that Islâm gives the name of "rent".

On the other hand, money is a commodity which has to be wholly consumed in order to be utilized. One cannot derive any benefit from it until one has bought something for this money. So, money is not utilizable in itself. Hence, on the one hand, no matter what the benefit which the debtor wishes to derive from it, he has to spend the money and then to put in his own labor in order to derive that benefit; on the other hand, the value of money does not suffer on account of being used by him. That is why it would be unreasonable to impose a fixed rate of interest on this money. The owner of the money has the free choice either not to lend his money at all or to enter into a "partnership" شرکت or "cooperation" مضاربت with the person who needs the money. But i f he lends the money in the form of a debt, Islâm cannot allow him to charge an interest on it according to a fixed rate.

It is on this basis that we have defined our terms like this - the things which are not utilizable in themselves without being wholly consumed would be called "capital"; when they enter into a commercial enterprise as a factor of production, they would be entitled to *profit*; the things which are utilizable even without being wholly consumed would be called "land", and on account of having participated in the process of production they would receive some part of the wealth in the form of *rent*.

The Prohibition of Interest and its Effect on the Distribution of Wealth

As the foregoing discussion has made clear, one of the basic differences between the Islâmic system and the Capitalist system with regard to the distribution of wealth is that Capitalism allows interest, while Islâm forbids it. Now, it would be proper to have a cursory glance at another aspect of the problem too - what are the consequences that follow from the interdiction placed upon interest?

In fact, the prohibition of interest has very far-reaching, beneficial, and profound effects on the whole system of the production of wealth itself. But this discussion would lead us far beyond the subject of this article. So, for the moment, we shall only summarily indicate the effects which Islâmic injunctions do have on the system of the distribution of wealth. A very simple consequence of the prohibition of interest is that it produces a balance and uniformity in the distribution of wealth. The necessary characteristic of the economy based on interest is that the profit of one of the parties *i.e.*, Capital is assured in a fixed form under all circumstances, but, contrarily, the profit of the other party *i.e.* Labor remains uncertain and doubtful. Big commercial enterprises, no matter how profitable they become, can never be considered immune from risk. In fact, while the "risks" of big business have been decreased because the means of production are available in an adequate measure, they have at the same time been increased by certain external factors. The bigger is the enterprise, the greater these risks are. So, under the Capitalist economy, the balance of the distribution of wealth becomes very unsteady. Sometimes the debtor has to bear severe loss, while the creditor goes on minting money. Sometimes, on the other hand, the entrepreneur earns a huge profit, while the man who has provided the capital gets only an insignificant share from it.

Contrary to it, since Islâm prohibits interest, it would in practice allow only two forms of investing capital in the modern world- "Partnership" شرکت and "Cooperation" مضاربت. Both these forms are completely free from this injustice and imbalance in the distribution of wealth. Under these two forms of investment, if there is a loss, it has to be borne by both the parties, and if there is a profit, both have a proportionate share in it. This mode of investment to a great extent serves as an effective check on the concentration of wealth, which is the greatest evil of the Capitalist economy. Wealth, instead of becoming accumulated in the hands of a few, is so distributed over a very large number of individuals in the society that no injustice is done to anyone. Under the Capitalist system, economy being based on interest, Capitalists come not only to own the greater part of national wealth, but also to control the whole market

and to run it in their own selfish interest. As a result of this, the system of "the supply of commodities" and that of "prices" can no longer function in a natural manner, but becomes artificial in so nefarious a way that no sphere of life, from economy, manners and morals to politics, can escape its evil influences.

By prohibiting interest, Islâm has struck at the very root of these evils. Under the Islâmic system, every one who invests his money has a share in the enterprise and its policy, bears the responsibility of profit and loss both, and thus he is no longer allowed to have his own way in business.

A Doubt and its Clarification

It is necessary to clarify a doubt that may arise here. In discussing the evils of the economy based on interest, we have said that it produces an imbalance in the distribution of wealth, and that one of the two parties in a business enterprise is necessarily affected by it. Some people are quite likely to raise the objection that the man who suffers a loss in a transaction based on interest, suffers it through his own choice - if he deliberately exposes himself to such risk, why should the law of the Shari'ah interfere with his right to do so?

Even a little reflection would easily solve this problem. A slight acquaintance with the Islâmic way of life should be sufficient to bring out the principle that, according to Islâm, the mutual consent of two parties does not always justify a certain transaction. If a man is willing to get murdered by another man, this fact would not absolve the murderer of his crime. Even in the case of fornication, which the West in its shortsightedness considers to be a private affair of the individual, mutual consent of the two parties cannot absolve the criminals. The question of the distribution of wealth and economic welfare goes much beyond this. We have already explained, with due quotations from the Holy Qur'ân, that wealth is in principle the property of Allâh Himself, and that the ownership He has bestowed upon man is, far from being unconditional and unbridled, subject to certain principles laid down by Allâh Himself. That is the reason Islâm does not allow the mutual consent of the parties concerned to be treated as a justification for a transaction which Islâm regards as intrinsically unjust or which can prove to be detrimental to the collective welfare of society. This is the *raison d'être* behind the strong prohibition, in the tradition of the Holy Prophet ﷺ, of تلقي الجلب buying grain from the caravans coming from the country-side before they reach a town, of بيع الحاضر للباد buying goods brought from the country-side through a middle man in the days of famine, of محاقلة exchanging grain that is yet in the ears for grain that has already been harvested, of مزابنة exchanging fruits on a tree for plucked fruits, and

of مخابرة taking a fixed amount of grain from the harvest of a land given on lease, inspite of their being based on the mutual agreement of the parties involved. Hence, the mere fact that the parties involved have agreed upon it, cannot serve as a valid justification for a transaction based on interest.

In the early days of Islâm, the objection which people bred in the pre-Islâmic ways generally raised against the prohibition of interest was this:

إِنَّمَا الْبَيْعُ مِثْلُ الرِّبَوٰا

"Trade is exactly like interest."

2:275

The Holy Qur'ân refutes this argument in a concise phrase:

وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَوٰا

"And Allâh has permitted trade, and forbidden interest."

2:275

It is worth noticing here that, in refuting this objection, Allâh the Exalted has not enunciated any principle or purpose of the prohibition of interest, but has, so to say, simply indicated that since Allâh has declared trade lawful and interest unlawful, one shall have to abide by this commandment, whether one understands its *raison d'être* or not. Instead of elucidating the justifying principles in this place, the Holy Qur'ân has adopted the mode of authority, which cuts off the very root of all objections to the prohibition of interest.

In short, the prohibition of interest by Islâm is the wisest solution of the problem which, on the one hand, eliminates many evils of the Capitalist economy, and, on the other, leaves no need for the adoption of the tyrannical and unnatural economic system of Socialism. This is the middle way which alone can save the modern world from the two extremes of license and servitude, and lead it towards a balanced and equitable economic system. The French orientalist Louis Massignon has said something very pertinent on this point: -

"In the conflict between Capitalism and Socialism, only that culture can be assured of a secure and bright future which not only prohibits interest but also makes people abide by this prohibition."[1]

[1] ڈاکٹر یوسف الدین، اسلام کے معاشی نظریے، ص ۲۸-۴۲
بحوالہ ڈاکٹر حمید اللہ، انجمن ہائے قرضہ حسنہ کی اہمیت.

The Problem of Wages

So far we have been able to establish one basic distinction between Islâm and Capitalism with regards to the distribution of wealth - and this distinction is related to the subject of interest. Now, there is another distinction between the two which one must bear in mind, and which concerns the relationship between the employer and the employee. This would necessitate a discussion of the problem of wages.

The violent reaction against the Capitalist system in the present age is largely an outcome of the conflicts between employers and employees and of the problems arising from the fixation of wages. Since the Capitalist economy is based on the principle of selfish and unqualified private ownership, the relationship of "*Supply and Demand*" between the employer and the employee is only a mechanical, harsh, and formal relationship which rests on undiluted self-interest. The employer respects the humanity of the employee laborer only so far as he is obliged to do so in the interest of his own business. As soon as he no longer feels this obligation, he readily adopts oppressive measures. On the other hand, the employee is interested in the work of the employer and prepared to carry out his orders only so long as his livelihood depends on the employer. The moment this dependence is over, he will unscrupulously shirk his work and even go on strike. This results in a perpetual struggle between the Laborer and the Capitalist, making it impossible for a healthy rapport to emerge between the two.

On the contrary, although Islâm does admit the principle of *supply and demand* as affecting, to a certain extent, the relationship between the employer and employee, yet it has at the same time imposed certain restrictions on the *supply* as well as the *demand* of labor in such a manner that their business relationship no longer remains merely mechanical, but becomes almost fraternal. As to what should the attitude of the employer be towards the employee, the Holy Qur'ân has made it quite explicit in a short but comprehensive phrase, while citing the words of Hazrat Shu'aib. Hazrat Shu'aib stood in the position of the employer for Hazrat Musa and said:

وَمَآ أُرِيدُ أَنْ أَشُقَّ عَلَيْكَ سَتَجِدُنِيٓ إِن شَآءَ ٱللَّهُ مِنَ ٱلصَّٰلِحِينَ

"I do not desire to lay an undue burden of labor on you. If Allâh wills, you will certainly find me to be one of the righteous."

28:27

This verse makes it quite clear that an employer who is a Muslim and whose ultimate goal in life is hence to become "righteous", cannot be "righteous" until and unless he has the desire to protect his employee from the burden of unnecessary labor. The Holy Prophet ﷺ has elucidated this point further in explicit terms:

ان اخوانكم خولكم جعلهم الله تحت ايديكم فمن كان اخوه
تحت يده فليطعمه مما ياكل و ليلبسه مما يلبس و لا تكلفوهم
ما يغلبهم فان كلفتموهم ما يغلبهم فاعينوهم .

"Your brethren are your servants whom Allâh has made your subordinate. So, the man who has his brother as his subordinate, should give him to eat from what he himself eats, and to wear what he himself wears. And do not put on them the burden of any labor which may exhaust them. And if you have to put any such burden on them, then help them yourselves in this work." [1]

Another tradition says:

أعطوا الاجير أجره قبل ان يجف عرقه

"Pay his wages to the worker before his sweat gets dried."[2]

The Holy Prophet ﷺ also said that there are three people who will find him on the Day of Judgement as their enemy. One of these three is:

رجل استاجر اجيراً فاستوفى منه و لم يعطه اجره

"The man who employs a worker on wages, then takes the full measure of work from him, but does not pay him his wages."[3]

How solicitous the Holy Prophet ﷺ was about the rights of the laborer can be gauged from a tradition which comes down from Hazrat Ali رضی اللہ تعالی عنہ. He reports that before his departure from this world, the last words of the Holy Prophet ﷺ were:

الصلوات و ما ملكت ايمانكم

“Take heed of the daily prayers and of the rights of those who are subordinate to you.”[4]

In consequence of these injunctions, the laborer was able to receive a dignified and brotherly position in Islâmic society, and we find countless examples of this in the history of the Early Period of Islâm. One can say with absolute confidence and certainty that it is not possible to safe-guard the rights of the laborer in a better way.

On the other hand, Islâm has laid down certain other injunctions which bind the employee as well, and has thus made his relations with the employer still more congenial. From the Islâmic point of view, the laborer, in undertaking the responsibility of doing some work for an employer, enters into a contract which he must honor not only for earning his livelihood but also for his felicity in the other world which is his real and ultimate goal. The Holy Qur’ân has this to say on the subject:

يَاأَيُّهَا الَّذِينَ آمَنُوا أَوْفُوا بِالْعُقُودِ

“O believers, fulfil your bonds.”

5:1

And further on:

إِنَّ خَيْرَ مَنِ اسْتَأْجَرْتَ الْقَوِيُّ الْأَمِينُ

“Surely the best man you can hire is the one who is strong and trustworthy.”

28:26

And still further:

وَيْلٌ لِّلْمُطَفِّفِينَ ۝ الَّذِينَ إِذَا اكْتَالُوا عَلَى النَّاسِ يَسْتَوْفُونَ ۝
وَإِذَا كَالُوهُمْ أَو وَّزَنُوهُمْ يُخْسِرُونَ ۝

"Woe to those who are dishonest in weighing and measuring- those who exact full measure when they receive their due from others, but give less than due when they measure or weigh for them." 83:1

According to the elucidations of the jurists of Islâm Fuqahâ, the word " تطفيف" underweighing and undermeasuring in this verse includes in its connotation even the laborer who receives in full the wages that have been agreed upon, and yet does not give the full measure of work, and employs that portion of time which he has given away to the employer in doing some other work, contrary to the wishes of his employer. These injunctions, thus, declare the shirking of work to be a great sin, and make it quite clear to the employee that once he has taken upon himself the responsibility of doing some work for an employer, the work has now become his own, and that he is under the obligation to complete it with perfect honesty, application, and zeal, otherwise he will not be able to attain the felicity in the other world which is his real and ultimate goal.

With regard to the problem of wages, in short, Islâm, while admitting to a certain extent the principle of "*supply and demand*" has at the same time laid down certain injunctions for the employer and the employee both, so that the system of supply and demand has come to be based on human sympathy and brotherhood, and not on self-interest.

One may possibly have a doubt here- that the nature of the injunctions laid down by the Qur'ân and the Sunnah in order to control the employer and the employee both, is similar to that of moral precepts, which have no validity from the economic or legal point of view. But such an objection would arise from an improper understanding of the spirit of Islâm. One should all the time bear in mind that Islâm is not a mere economic system, but a complete code of life in which all the spheres of human life function as inter-related parts of a whole. The attempt to consider any one of these spheres in isolation from others would necessarily produce many misunderstandings. The true aspect of each of these spheres can emerge only when it is given its proper place within the total code of life, and is viewed in this perspective. So, it would not be possible to exclude these so-called "moral precepts" from any discussion of the Islâmic economy.

Then there is another distinctive feature of Islâm. If one takes a larger view, even these "moral precepts" are in reality *legal injunctions*, for the reward or the punishment of the other world finally depends on them- and it is the reward

and punishment which has the fundamental importance in the life of a Muslim. It is just this "Doctrine of the Other World" which has not only given the authority of Law to Ethics, but has also been at the back of "laws" in the technical sense. If you carefully consider the Qur'ânic idiom, you will find that the notions of "*fear of Allâh*" and "*solicitude for the other world*" are always appended to every legal or ethical injunction. The secret behind it is that, in fact, man can never be made to abide by laws merely out of fear of human force or coercion until and unless "solicitude for the other world" is there to keep a constant watch over each and every action, movement or thought of man. As for that, the several thousand year old history of mankind, which has been full of numberless oppressions, inequities and crimes inspite of all the legal imperatives, can easily bear witness to this irrefutable fact. And, in particular, the so-called "civilized world" of today has made it clear like day-light that the speed with which crimes have been increasing is far greater than the speed with which legal machinery is being strengthened to overtake them.

So, the fond belief that the relations between the employer and the employee can be improved with the help of legal provisions is no more than a self-delusion of the worst sort. Its real remedy is only the "*solicitude for the other world*"- and nothing else. And Islâm has put all possible emphasis on just truth in this matter.

The modern mind, which has gotten itself entangled in the confusions of the worldly life and has thus lost the capacity to look beyond matter, may perhaps find it difficult to understand this truth. But it is certain that if mankind is at all destined to attain a peaceful existence, it will, after a hundred pitfalls, arrive finally at the truth which the Holy Qur'ân has stressed again and again. The world has already witnessed sufficiently the veracity of this Qur'ânic concept during the time when Islâm was really functioning as a system in actual practice. In the history of that period, one would seek in vain for an example of the conflicts between employers and employees which have been upturning our world for some time past. It was just these "moral precepts" of the Qur'ân and the Sunnah which made a practical demonstration of how this problem could be solved in a satisfactory way, and because of which the history of the Early Period of Islâm is almost free from the violent disputes and workers' strikes of today.

Footnotes

[1] صحیح بخاری۔ کتاب العتق.

[2] ابن ماجہ و طبرانی عن ابن عمرؓ (جمع الفوائد).

[3] صحیح بخاری۔ کتاب الاجارہ بروایۃ ابو ہریرۃؓ.

[4] ابن ماجه (جمع الفوائد)

The Secondary Heads of the Distribution of Wealth

So far our discussion has been concerned with those who have a primary right in the distribution of wealth. A significant characteristic of the Islâmic theory of the distribution of wealth is that, in order to strengthen the weaker elements of society and to make those who have no work to do capable of useful work, it has prescribed, beside the factors of production, a long list of those who have a secondary right to wealth, and has laid down a regular system for gaining this objective.

In the introductory part of this article, it has already been indicated that wealth is in principle the property of Allâh Himself, that He is the real creator of wealth, and it is He who has bestowed upon man the right of ownership over it. Man is, no doubt, the owner of the reward which he gets in return for his endeavour, but it is Allâh who, in His grace, gives him the ability to make this endeavour and it is He who has created wealth. So, man is not altogether free to put his property to any use he likes, but is bound by the Commandments of Allâh. Man is hence under the obligation to spend this wealth where Allâh commands him to spend.

This basic idea automatically leads to a second category of entitlement to wealth outside the factors of production that is to say, according to the Islâmic point of view *every such person is entitled to wealth to whom the primary owners of wealth are bound under an obligation laid on them by Allâh to convey it*. Thus we arrive at a long list of the secondary heads in the distribution of wealth, under each of which there are persons entitled to a share in wealth.

In laying down these categories, Islâm in fact wants that wealth should be given as wide a circulation in society as possible, and that the restrictions that have been imposed on the concentration of wealth through the prohibition of interest should be further extended. It is not possible to give a detailed account of these categories in this short article. We would, however, enumerate them briefly: -

a Zakât

زكوة The first and the widest of these heads is Zakât. The Holy Qur’ân has mentioned this obligation in numerous places along with Salât the daily

prayers. Every person who possesses silver or gold or cattle or merchandise in a certain prescribed quantity and above it is under the obligation to spend, after the passage of one year, a certain part of his possessions on other needy persons. And with regard to the man who does not fulfil this obligation, the Holy Qur'ân has this to say:

وَالَّذِينَ يَكْنِزُونَ الذَّهَبَ وَالْفِضَّةَ وَلَا يُنْفِقُونَهَا فِي سَبِيلِ اللَّهِ فَبَشِّرْهُمْ
بِعَذَابٍ أَلِيمٍ يَوْمَ يُحْمَىٰ عَلَيْهَا فِي نَارِ جَهَنَّمَ فَتُكْوَىٰ بِهَا جِبَاهُهُمْ وَ
جُنُوبُهُمْ وَظُهُورُهُمْ هَٰذَا مَا كَنَزْتُمْ لِأَنْفُسِكُمْ فَذُوقُوا مَا كُنْتُمْ
تَكْنِزُونَ

"Those who treasure up gold and silver, and do not spend them in the way of Allâh - give them tidings of painful chastisement, the day this wealth shall be heated in the fire of Hell, and their foreheads, their sides, and their backs shall be branded with it. It will be sa id to them, 'This is what you had treasured up for yourselves; now taste of what you were treasuring.'"

9:34 -35

Then the Holy Qur'ân itself has laid down eight items where this Zakât is to be spent. By prescribing eight items of expenditure under the single head of Zakât, the Holy Qur'ân has opened the way to the widest possible circulation of wealth.

The common factor among these items of expenditure for Zakât which entitles a person to receive it is "poverty" and "neediness". And this head Zakât is chiefly meant for the eradication of poverty. An indication of how wide the distribution of wealth among the poor and the needy can be made under the head of Zakât, is provided by the fact that the national income of Pakistan was nearly Rs.15,300,000,000 in 1965; now, if we levy Zakât on this national income at its lowest rate that is 2.5%, it comes to mean that at least Rs. 302,500,000 can be distributed among the needy and the poor annually. One can easily see what a huge amount of money will every year pass from the pockets of the Capitalists to the hands of the needy and the poor, if all the factors of production pay the annual Zakât regularly, and how soon the glaring inequality in the distribution of wealth will thus be done away with.

b) 'Ushr

عشر 'Ushr is in fact a form of Zakât which is levied on land produce. But, since human labor is comparatively less involved in this kind of production, the rate of the levy here is 10%, or in some cases 20% instead of 2.5%. This levy is due only on the produce of those lands which, according to the expositions of the Fiqh, come under the special category of 'Ushri lands. 'Ushr is spent on the same items as Zakât.

c Kaffârât

كفارات Islâm has prescribed another regular mode of transmitting wealth to hundreds of individuals in a society - and that is the mode of "Kaffârât" expiation money. If someone breaks his fast during Rama dân without a proper excuse, or kills another Muslim unintentionally, or compares his wife with the back of a female within prohibited degrees of relationship ظهار - which amounts to taking an oath not to have connubial relations with her, or breaks a vow after having taken it, he has been enjoined to spend compulsorily in some cases, and voluntarily in others) some of his wealth over the needy and the poor. This can be done in the form of cash, and also in the form of food or clothes.

d) Sadaqat -ul-Fitr

صدقة الفطر Besides this, it has been made compulsory for those whose possessions come up to a certain specified quantity that on the occasion of the*Î'd-ul-Fitr* they should, before going to the prayers, distribute among the needy, the poor, orphans and widows, wheat or its price at the rate of 1 3/4 seers per number of the family. Everyone has to pay this sum not only on his or her own behalf, but even on behalf of one's minor children. To make such charity obligatory this condition too is not necessary that the possessions which give rise to the obligation should consist of objects of growth or should have been held for one complete year. So, the sphere of this obligation is even wider than that of Zakât, and it can lead to the greatest possible demonstration of the principle of brotherhood, particularly on the occasion of a collective festivity.

These four categories are intended to distribute wealth among the needy and the poor. Beside them there are two more categories which are intended to provide help to one's relatives and to give them a share in one's wealth. One of them is the category of "Nafaqât" Maintenance and the other i s that of "Wirâsat" Inheritance.

e Nafaqât

نفقات Islâm has placed on everyone the responsibility of supporting his close relatives, some of these relatives are such as must be supported in any case compulsorily, whether one is well-to-do or poor does not matter - among such relatives are, for example, one's wife and minor children. Then, there are other relatives who have to be supported only if one possesses the means to do so. The Islâmic law provides a long list of such relatives. This injunction gives rise to a very fine arrangement for the maintenance of the helpless and weak members of a family.

f) Wirâsat

وراثت The Islâmic system of inheritance has a basic importance in the Islâmic system of the distribution of wealth. It is not really necessary to expatiate upon the inequity produced in the distribution of wealth by the restricted forms of inheritance. One of the greatest causes of the inequity that is found in Western countries in this sphere is just this, and many economists have admitted this fact.

The system of inheritance that is generally prevalent in Europe is the rule of primogeniture– that is to say, all the property of the deceased goes to the eldest son and all the other children are totally deprived of it. Moreover, in certain places, a man can, if he so wishes, dispose of his whole property by will to any person, thus depriving even his male offspring of a share in the inheritance. As a result of this system, wealth gets concentrated instead of being circulated. On the other hand, according to the Hindu code, the male members of the family jointly inherit the property, and the females are totally excluded from inheritance. This is an obvious injustice to women. Moreover, the sphere of the circulation of wealth is even here narrower than what it is under the Islâmic system.

On the contrary, the system of dividing inheritance laid down by Islâm does away with all these evils. The characteristics peculiar to this Islâmic system are as follows: -

a A long list of inheritors has been pre scribed in accordance with the degrees of relationship, because of which the inherited wealth gets a very wide circulation. It should be noticed here that, in order to give a wide circulation to wealth, it could be as well enjoined that the whole inheritance should be

distributed among the poor or be deposited in the *Bait-ul-Mâl* Public Exchequer. But, in that case, everyone would have tried to spend all his wealth during his own lifetime, and this would have only upset the economy. It is for this reason that Islâm has laid down a system which requires that the inheritance should be divided amongst the relatives of the deceased- an arrangement which should be the natural desire of the owner of this wealth.

b As against all the other systems of inheritance in the world, Islâm has given to woman also the right to inherit property. The Holy Qur'ân says:

لِلرِّجَالِ نَصِيبٌ مِّمَّا تَرَكَ الْوَالِدَانِ وَالْأَقْرَبُونَ وَلِلنِّسَاءِ نَصِيبٌ
مِّمَّا تَرَكَ الْوَالِدَانِ وَالْأَقْرَبُونَ مِمَّا قَلَّ مِنْهُ أَوْ كَثُرَ ۚ نَصِيبًا مَّفْرُوضًا

"There is a share for men from what is left by parents and kinsmen, and there is a share for women from what is left by parents and kinsmen, whether it be little or much- and it is a determinate share."

4:6

c The deceased has not been given the prerogative to deprive a legal heir of his or her share, nor to make any kind of modification in the prescribed share of any heir. This injunction puts a complete end to the possibility of a concentration of wealth resulting from inheritance. The Holy Qur'ân says:

آبَاؤُكُمْ وَأَبْنَاؤُكُمْ لَا تَدْرُونَ أَيُّهُمْ أَقْرَبُ لَكُمْ نَفْعًا ۚ فَرِيضَةً مِّنَ اللَّهِ

"You do not know which one of them, among your fathers and your sons, is nearer in profit to you. This is the law laid down by Allâh."

4:10

d) No distinction has been made among children on the basis of priority of birth. An equal share has been allotted to the elder and the younger.

e It has been forbidden to make a bequest in favour of an heir, in addition to the prescribed share. Thus, no heir can receive anything from the estate of the deceased over and above his or her own share of the inheritance.

f A part of the property can be bequeathed to one who may not be an heir. This also helps in the circulation of wealth, for a part of the property is given away as legacy before the sharing of inheritance takes place.

g But a testator cannot dispose of all his property by will. He is allowed to bequeath up to one third of his property, and has no legal right to exceed this limit. This injunction thus serves to avoid that danger of the concentration of wealth which would arise if a man were allowed to dispose of all his property by will. At the same time, it also safeguards the rights of the near kindred.

g Khirâj and Jizyah

خراج و جزية Beside the above categories, there are two more which require the owners of wealth to pay a part of it to the government of the country - one is "Khirâj" tribute and the other is "Jizyah."

Khirâj is a kind of levy on land which is imposed only on those lands which come under the category of *Khirâji* according to the expositions of the Fiqh, and the government can spend it on community projects. Jizyah, on the other hand, is received from those non-Muslims who are citizens of an Islâmic state and the protection of whose life, property, and honor is the responsibility of the state, and also from those non-Muslim states with which peace has been made on the condition of their paying the Jizyah. This sum as well is to be spent by the state on projects of collective unity.

The secondary categories of the distribution of wealth outlined above are only those in which it has been enjoined upon the primary owners of wealth to spend a part of it as a matter of individual responsibility. Besides these categories, there are, in the Qur'ân and the Sunnah, exhortations to spend wealth on the poor and the helpless and for the collective good of the Muslims. Says the Holy Qur'ân:

يَسْئَلُونَكَ مَاذَا يُنْفِقُونَ قُلِ الْعَفْوَ

"They ask you as to what they should spend. Say 'What is left over.'"

2:219

This verse makes it clear that what is commendable in the eyes of Allâh is that a man should not confine himself to spending only as much as he is under an obligation to spend, but should consider it to be a great blessing for himself to give everything that exceeds his own needs to those members of his society who are destitute of wealth. The Holy Qur'ân and the Traditions of the Prophet ﷺ are full of exhortations on the subject of "*spending in the way of Allâh*."

The Eradication of Beggary as a Profession

The measures adopted for giving the weaker members of society the right to have a share in the wealth of the rich were at the same time likely to produce another evil in society - that this section of society might become parasitical, and live as a permanent burden on society. In order to check this tendency, the Shariah has subjected these people as well to certain special regulations:-

i A man who is healthy and physically fit has not been given the right to beg, except under special circumstances. According to the Holy Qur'ân, the commendable quality of the genuine "*Fuqarâ*" beggars) is that:

لَا يَسْـَٔلُونَ النَّاسَ إِلْحَافًا

"They do not beg of men importunately."

2:273

ii The man who has the wherewithal for a day has been forbidden to beg.

iii A tradition of the Holy Prophet ﷺ condemns begging as a humiliation.

iv The man who possesses wealth up to the prescribed quantity has been forbidden to accept charity even without begging.

v The poor and the helpless have been persuaded to shun charity, to earn their livelihood through their labor as far as possible, and to look upon hard work as noble.

vi Those who possess wealth have been admonished that it is not enough merely to set apart a sum of money for charity- they are also responsible for seeking out those who are really needy and thus genuinely entitled to charity, and for distributing it among them.

vii Through the department of moral censorship, provision has been made for the eraditation of beggary.

In consequence of the healthy system of the distribution of wealth which Islâm has instituted by means of these injunctions, our history offers instances of a state of society where one sought in vain for a man who would accept charity.

Conclusion

These are only some of the salient features of the Islâmic system of the distribution of wealth. In this short article, we have not been able to do more than to show a glimpse of this system. But we hope that these scanty observations must have made it clear how the Islâmic economy differs from Capitalism and Socialism both, and what its fundamental characteristics are.

وَلِلّٰهِ الْحَمْدُ أَوَّلُهُ وَآخِرُهُ وَظَاهِرُهُ وَبَاطِنُهُ